

NEWS

United States Department of Justice
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Ralph J. Marra, Jr., Acting U.S. Attorney

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FOR IMMEDIATE RELEASE

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Assemblyman and Former Perth Amboy Mayor Joseph Vas Indicted for His Participation in Corrupt Schemes

– Longtime Aide also Indicted –

(More)

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NEWARK – Assemblyman and former Perth Amboy Mayor Joseph Vas and his longtime aide Melvin Ramos surrendered to Special Agents with the FBI in Newark this morning in connection with an 11-count federal Indictment that alleges Vas corruptly misused his position and authority as the Mayor of Perth Amboy for his own financial gain, Acting United States Attorney Ralph J. Marra, Jr. announced.

The Indictment, which was returned by a grand jury yesterday and unsealed today, charges Vas and Ramos with, among other things, committing mail fraud in connection with a scheme to misuse Vas's position as mayor to misappropriate New Jersey Council on Affordable Housing ("COAH") Regional Contribution Agreement ("RCA") funds in connection with Vas's sale of a multi-unit apartment building to a contractor in 2006.

Vas, 54, and Ramos, 53, both of Perth Amboy, are scheduled to make their initial appearances in federal court before U.S. Magistrate Judge Madeline Cox Arleo in Newark at 11:30 a.m.

"Once again, we have an entrenched, powerful politician who used his power and status and insider knowledge to game the system to his illicit advantage," said Marra. "Through these corrupt acts that we allege, the taxpayers were victimized, a program intended to benefit the city was ripped off, and the voters who supported Vas were fooled. This is a classic betrayal of trust by a public official."

"This is yet another unfortunate example of a culture of corruption where a person in a position of trust acts with a sense of entitlement," said FBI Special Agent in Charge Weysan Dun. "It makes you wonder about their intentions when initially seeking public office. We will continue to work, and hope, for the day when public officials no longer betray the trust placed in them."

The Indictment describes a scheme in which Vas and Ramos allegedly misused Vas's position and authority as mayor to assist Vas in selling a 12-unit Perth Amboy apartment building on DeKalb Avenue to a real estate company owned by a contractor. The Indictment alleges that Vas bought this property in December 2005 for approximately \$660,000 – well under the \$955,000 property appraisal Vas had obtained – and then five months later in May 2006, "flipped" the property to a contractor for approximately \$950,000. The Indictment further alleges that Vas and Ramos, to induce the contractor to buy the property, assured the contractor that a significant amount of public funding, including RCA funding, would be available to offset the cost of renovating the building.

RCA funds are moneys administered by COAH that generally are provided by "sending" municipalities to "receiving" municipalities to satisfy in part the "sending" municipalities' obligations under New Jersey law to establish low and moderate income housing.

Additionally, the Indictment alleges that after the sale of the property, Vas used his official influence as mayor to obtain \$360,000 in RCA funding for the contractor by directing city employees to submit a resolution to the Perth Amboy City Council to authorize the RCA funds for the rehabilitation of the property. According to the Indictment, City Council members voted to approve the resolution on June 14, 2006. Though Vas was present at the council meeting, the Indictment alleges he did not disclose any facts regarding his then-recent sale of the property and the lucrative profit he received from that sale.

Furthermore, the Indictment alleges that later in 2006 and early 2007, Vas misused his authority to obtain a \$90,000 advance payment in RCA funds for the contractor by directing city employees to make this payment, even though COAH had not yet approved this project. In particular, the Indictment charges that on Jan. 11, 2007, Vas compelled a Perth Amboy Assistant Personnel Officer to approve the \$90,000 advance payment by appointing that employee as Acting Business Administrator for the day (the Business Administrator was absent that day) and coercing this employee to approve the payment. Later that day, Vas allegedly handed a \$90,000 check to an associate of the contractor. The Indictment further alleges that Vas failed to completely recuse himself from this matter; that he and Ramos acted to conceal material aspects of this arrangement; and that both defendants furthered their scheme through the mails and a courier service.

The Indictment also charges Vas with fraud and misapplication of funds in connection with the \$90,000 in RCA funds that Vas personally arranged for the contractor. Additionally, the Indictment charges Vas with making repeated false statements to Special Agents of the FBI during an interview on Dec. 4, 2008, which included falsely relating to the agents that he had never spoken with the contractor at any time about the availability of city funds for the property and that he never directed the assistant personnel officer to sign off on the \$90,000 disbursement.

According to the Indictment, Vas used approximately \$75,000 of his approximately \$290,000 in profits from the sale of the apartment building to fund his 2006 federal congressional primary campaign for the Democratic nomination to run for Congress in New Jersey's 13th District.

Ramos also was charged for his alleged participation in a scheme to use conduit donors to funnel contributions to Vas's 2006 primary campaign for the Democratic nomination to run for Congress in the 13th District. According to the Indictment, Ramos, who was Vas's campaign treasurer, used four straw donors to contribute between \$2,000 and \$2,100 a piece to Vas's federal campaign. Ramos allegedly funded the straw donations by giving each donor cash in an amount equal to the donation that he was seeking and then having the straw donor provide him with a check made out to the campaign fund. Such conduct is prohibited by federal election law. The Indictment also alleges Ramos, as Vas's Treasurer, filed false and fraudulent reports with the FEC regarding these

contributions.

Both defendants are charged in Counts One through Six, which charge mail fraud. Each count of mail fraud carries a maximum statutory penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendants. Count Seven charges Vas with fraud and misapplication of funds involving a local government receiving federal funds, which carries a maximum penalty of 10 years in prison and a fine of \$250,000. Vas is charged in Count Eight with making false statements to federal agents, which carries a maximum penalty of 5 years in prison and a fine of \$250,000.

Ramos is charged in Count Nine with making contributions to a federal candidate in the names of others, which carries a maximum statutory penalty of one year in prison and a fine of \$100,000. Counts 10 and 11 of the Indictment charge Ramos with making false statements to the Federal Election Commission. Each count of making false statements to the Federal Election Commission carries a maximum statutory penalty of 5 years in prison and a fine of up to \$250,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Despite indictment, the defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

Marra credited Special Agents with the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark, with the ongoing investigation. Marra also thanked New Jersey Attorney General Anne Milgram for her office's assistance in the investigation.

The government is represented by Assistant U.S. Attorney Brian R. Howe, Deputy Chief, and Assistant U.S. Attorney Jenny R. Kramer, both of the U.S. Attorney's Office Special Prosecutions Division.

– end –

Defense Attorneys:

Vas - Alan Zegas, Esq. Chatham

Ramos - Alberto Rivas, Esq. Newark